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USSR Report

CONSTRUCTION AND EQUIPMENT

(FOUO 4/82)



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CONSTRUCTION

BOOK EXCERPTS: CONSTRUCTION FINANCE

Moscow FINANSY STROITEL'STVA in Russian 1981 (signed to press 8 Jul 81) pp 2, 3-6, 288

[Title page, table of contents, annotation and introduction from the book "Construction Finance," edited by Professor and Honored Scientist of the RSFSR V. F. Girovskiy and Candidate of Economic Sciences O. A. Khorov, Izdatel'stvo "Vysshaya Shkola", 20,000 copies, 288 pages]

[Text] Title Page. Second edition, revised and enlarged. Released by the USSR Ministry of Higher and Secondary Special Education as a textbook for VUZ students in the specialties of "Management Organization in Construction" and "Construction ASU [automated control system] Organization and Planning."

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Annotation. Reviewed by the chair of the state budget and finances of branches of the national economy at the VZFEI [All-Union Finance-Economics Correspondence Institute and the chair of monetary circulation and credit at VZFEI.

This textbook consists of three sections. The first presents basic postulates on the essence of Soviet finances and their place in the system of economic levers in planned management of the USSR national economy. The second illuminates questions of finances in the management system of construction as a branch of the national economy. The third section is devoted to questions of the theory and practice of financing capital investments. The first edition was published in 1973. The textbook is for VUZ students in engineering-economics specialties. It can be used by students in VUZ engineering-construction specialties and by students in the system for improving the skills of construction personnel.

Introduction. Under developed socialism, our country has achieved great success in economic and social development, in improving the well-being of the people. A mighty production and scientific-technical potential has been created by the selfless labor of the Soviet people under the leadership of the USSR Communist Party.

The 26th CPSU Congress has set high new frontiers for our continuing advance. The "Basic Directions of USSR Economic and Social Development in 1981-1985 and Up To 1990" were approved by the Congress. This document creatively generalizes the practical building of communism in the USSR; it takes into account the experience of other socialist countries and embodies CPSU strategy and tactics concerning the most important questions of the country's economic and social development in light of the concrete conditions of the 1980's.

A leading role is given to capital construction in increasing the country's productive forces and improving the well-being of the Soviet people. This has occurred because capital construction ensures the reproduction of fixed assets, the planned development and retooling of all branches of the national economy, and creation of the necessary base for meeting the social, personal-services and cultural requirements of the population.

Construction is one of the most important branches, occupying third place (after industry and agriculture) in the gross social product. About 11 million people work in the branch, nearly one in every seven workers and employees engaged in material production.

The rates of development of the entire national economy therefore depend largely on successful implementation of the ambitious tasks facing capital construction.

An enormous amount of construction work has been done in the USSR. Tens of thousands of large industrial, power, transport and agricultural complexes and projects provided with modern equipment have been built and put into operation. Housing, cultural, personal- and municipal-services construction is proceeding at rapid rates.

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Capital investments in the country's national economy are constantly growing. Suffice it to say that they were about 135 billion rubles in the last year of the 10th Five-Year Plan, nearly two-fold more funds than were used in capital construction during all the prewar years of the existence of the Soviet state. These are enormous sums, and it is therefore no accident that the party and government of our country pay close attention to their effective use.

The necessity of resolutely improving the state of affairs in capital construction and improving capital investment effectiveness and construction quality in all branches of the national economy was emphasized particularly sharply at the 26th CPSU Congress.

Reliance on efficiency and quality is the most important component of the entire economic strategy of the party and government. Its actualization is not only a scientific and technical and economic task, but also a social and ideological one.

The planned management mechanism must also correspond fully to the economic policy worked out by the party. This is insistently demanded by the growing scope of production, by the economic ties which have evolved and by rapidly developing scientific and technical progress. Under present conditions, it is important to ensure the efficient use of everything available to the national economy, relying primarily on intensive growth factors, and to introduce the achievements of scientific-technical progress and leading experience into production more extensively.

It is precisely this goal which is pursued by the decrees adopted in July 1979 "On Further Perfecting the Economic Mechanism and the Tasks of Party and State Agencies" and "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Improving Production Efficiency and Work Quality."

The indicated documents contain a comprehensive program for perfecting planned leadership of branches of the national economy, including capital construction; they outline a system of steps called upon to ensure dynamic growth in our economy in accordance with the demands of developed socialism, a significant increase in production efficiency, the acceleration of scientific and technical progress, labor productivity growth, improved product quality and a steady rise in the well-being of the Soviet people.

Important significance is attached to economic levers and incentives in the system of measures outlined to improve capital construction. Among the most effective are financial ones.

In order to train broadly knowledgeable engineer-economists in the specialties of "Management Organization in Construction" and "Construction ASU Organization and Planning," the course "Construction Finance" must be studied as part of the complex of economics disciplines being studied in engineering-economics VUZ's and at analogous departments in engineering-construction institutes.

The engineer-economist must know the principles of finance work in construction, the methods and conditions of financing, the existing procedure of financial interrelationships among participants in the process of building enterprises, buildings and structures. He must be able to perform individual financial operations independently (calculations of construction-installation work done, determining profitability and

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profit, calculating a circulating capital normative, and so forth) and to run a technical analysis of the financial activity of contractor organizations.

The second edition of this textbook was prepared with consideration of the normative-instructional and methods documents worked out in accordance with the July (1979) CPSU Central Committee and USSR Council of Ministers decree "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Improving Production Efficiency and Work Quality," as well as other materials as of 1 July 1980.

The authors of individual textbook chapters are: Chapter 1 -- USSR Academy of Sciences Corresponding Member and Doctor of Economic Sciences K. N. Plotnikov; Chapters 2 and 4 -- Doctor of Economic Sciences A. M. Kovaleva; Chapter 3 -- Candidate of Economic Sciences Z. N. Laktyushina; Chapter 5 -- Candidate of Economic Sciences M. M. Krupinova; Chapters 6, 11, 12, 13 and 16 -- Candidate of Economic Sciences R. K. Belkina; Chapter 7 -- Candidate of Economic Sciences S. L. Fridman; Chapters 8 and 9 -- Candidate of Economic Sciences L. I. Kirichenko; introduction and Chapters 10 and 15 -- Candidate of Economic Sciences O. A. Khorov; Chapter 14 (second section, articles 2 and 4) -- Candidate of Economic Sciences A. V. Kozlovskiy; Chapter 14 (except for the second section, articles 2 and 4) -- Candidate of Economic Sciences V. F. Babak.

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CONSTRUCTION

BOOK EXCERPTS: SHORT-TERM CREDIT IN CONSTRUCTION

Moscow KRATKOSROCHNOYE KREDITOVANIYE V STROITEL'STVE in Russian 1981 (signed to press 6 Feb 81) pp 2, 144

[Title page, annotation and table of contents from the book "Short-Term Credit in Construction," edited by T. A. Shesterneva, Izdatel'stvo "Finansy i statistiki", 8,770 copies, 144 pages]

[Text] Annotation. This work is a continuation of a book previously published, "Kreditovaniye i raschety v kapital'nom stroitel'stve" [Credit and Calculations in Capital Construction] (Moscow, Izdatel'stvo "Finansy", 1979). It examines questions of the organization of credit relations in construction, targets and methods of crediting, the granting of credit to construction-installation, planning-surveying and assembly-component organizations, and directions in which credit practice is being improved. It is intended for workers in the credit system and economists in construction and planning organizations and can be used in the economic education system.

The authors of the individual chapters are: Candidate of Economic Sciences Vasilii Alekseyevich Gnatov -- chapters I, II, III (article 1); Candidate of Economic Sciences -- Valentina Ivanovna Zhuravleva -- chapters III (articles 2, 3) and V (article 2); Yuriy Iosifovich Kondratenko -- Chapter V (article 1); Galina Pavlovna Podshivalenko -- Chapter 4.

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